

**BOB F. ANDERSON, PE, INC.**  
**PETROLEUM ENGINEERS & CONSULTANTS**  
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September 22, 2006

Honorable James H. Welsh,  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, LA 70804-4275

**Re: APPLICATION FOR PUBLIC HEARING**

Proposed Substitute Unit Well  
"F" Zone of the Hosston Sand  
Downhole Combination of the  
Hall Sand of the Davis Interval, Cotton Valley Formation,  
Vaughn Sand and "F" Zone of the Hosston Sand  
Hico-Knowles Field  
Lincoln Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **NADEL & GUSSMAN-JETTA OPERATING COMPANY**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the "F" Zone of the Hosston Sand, Hall Sand of the Davis Interval of the Cotton Valley Formation and the Vaughn Sand, Hico-Knowles Field, Lincoln Parish, Louisiana:

**FOR THE "F" ZONE OF THE HOSSTON SAND:**

1. To permit the applicant to designate and utilize an existing well bore, the Nadel & Gussman-Jetta Production Company – Dubach State Bank No. 1 Well, as a substitute unit well for the production of gas and condensate from the "F" Zone of the Hosston Sand, in the unit designated HOSS F SUD, Hico-Knowles Field, Lincoln Parish, Louisiana, in exception to the spacing provisions of Office of Conservation Order No. 137-H-1, effective January 1, 1960, such unit and well shown on the attached plat and made a part hereof.
2. To find that the proposed substitute unit well, at the location shown on the attached plat, is necessary to assist in draining a portion of the "F" Zone of the Hosston Sand in the HOSS F SUD that cannot be drained by any other well located therein.

**FOR THE "F" ZONE OF THE HOSSTON SAND, VAUGHN SAND AND THE  
HALL SAND OF THE DAVIS INTERVAL OF THE COTTON VALLEY  
FORMATION:**

1. To permit the unit operator to downhole combine the production from the "F" Zone of the Hosston Sand, the Vaughn Sand and the Hall Sand of the Davis Interval of the Cotton Valley Formation in any well bore located within the units designated HOSS F SUD, the VGN SU15 and the HALL SUI, such units being identical in arial extent and having the same Working and Royalty Interests, such units shown on the attached plat and being made a part hereof.
2. To find that the downhole combination of the "F Zone of the Hosston Sand, the Vaughn Sand and the Hall Sand of the Cotton Valley Formation is in the interests of conservation, will prevent waste and will maximize the efficient and economic recovery of gas and condensate from said reservoirs.
3. To permit the allowable assignment to be assigned to and the unit production credited to the deepest reservoir from which is down hole combined.
4. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The "F" Zone of the Hosston Sand was defined in Office of Conservation Order No. 137-H, effective August 1, 1959, the Vaughn Sand was defined in Office of Conservation Order No. 137, effective August 5, 1949 and the Hall Sand of the Davis Interval of the Cotton Valley Formation was defined in Office of Conservation Order No. 137-U, effective September 1, 1967,

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

The subject matter of this application does not require a pre-application notice.


Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being sent. A copy of this letter and the attached plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached

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list and a copy of this letter, plat and list of parties are being sent to the Commissioner of Conservation and Shreveport District Office of Conservation. Upon receipt of the Legal Notice, it will be posted in a prominent place in the area of the Hico Knowles Field, will be published in a newspaper with a circulation in the area of the field and will be sent to all parties to whom this letter is being sent.

Attached are our checks, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

  
B. F. Anderson, PE for

**NADEL & GUSSMAN-JETTA OPERATING COMPANY**

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)  
Interested Owners, Represented Parties and Interested Parties (w/plat only)  
Nadel & Gussman-Jetta Operating Company (w/encl.)

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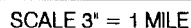


EXHIBIT NO.1